

NEWSLINE EIGHT

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SBA's Monthly
News Update
-SERVING-
COLORADO
MONTANA
NORTH DAKOTA
SOUTH DAKOTA
UTAH
WYOMING

Newsline Eight is circulated to our resource and lending partners by SBA's Region Eight Office

Elton W. Ringsak
Regional Administrator

James R. Henderson
Regional Advocate

Christopher Chavez
Regional Communications Director

Carol Helm
Regional Resource

Helping small businesses
start, grow and succeed.



Your Small Business Resource

ELTON W. RINGSAK TO RETIRE FROM FEDERAL SERVICE ON JUNE 30TH

The last seven years have been a tremendous experience for both me and my family. Before coming to the SBA as Regional Administrator I was a small business owner in Butte, Montana – a small town in South Central Montana with a population of just over 30,000 people. I had considerable experience working with the SBA in my home state, serving on the Montana Small Business Advisory Council in the 1990's. My experience working with the federal government included 24 years of military service in the National Guard, Reserve, and Active Duty dating back to the 1960's. It has been an incredible ride over the last 82 months - an experience that I will never forget. I owe a great deal of gratitude to each and every employee in Region VIII for making my experience a good one. As many of you may already know, I have made the decision to retire from federal service effective June 30, 2008. Two years ago I made a commitment to Administrator Preston, and the District Directors, that I would continue to serve as Regional Administrator as long as Mr. Preston remained Administrator. It is an appropriate time for me to leave the SBA as Mr. Preston was confirmed as the new Secretary of HUD. Also, on May 15th we were successful in launching the nationwide implementation of the Rural Lender Advantage program, which will bring needed capital to our rural communities. I leave with the satisfaction knowing that Region VIII remains the top performing Region in the Agency. (And will remain so into the future). Most importantly, I made a commitment to return to Butte once I had helped improved SBA's ability to increase "Rural America's" access to capital. The time has come to move on with my life and find new opportunities and challenges. It was the poet Robert Frost that once said "In three words I can sum up everything I've learned about life: it goes on." I am proud of my accomplishments over the last seven years. My passion is working with our rural communities across the region to make sure they were not forgotten as it relates to our economic development programs; I believe our agency has fulfilled its commitment to our rural towns and cities. Over the years I have traveled over 300,000 miles visiting our district offices, resource partners, economic development groups, lenders and Small Businesses. NONE of what we have accomplished since 2001 would have occurred without the dedication and hard work of you, the business community in Region VIII. You are all examples of why government does work. It works because



Elton W. Ringsak at his retirement party on June 25th in Denver

each and every one of you cares about your job, the small business customer, and your community. The thing I will miss the most is my daily interaction with each of you. We will remain friends forever. It is really true that "old soldiers never die, they just fade away." I look forward to re connecting with my wife, and taking on new challenges. The slower paced life in Butte will be a welcomed respite over the short term. Thank you for your support, friendship, counsel, and support.

Sincerely,

Mick

A handwritten signature in blue ink, appearing to read "Elton W. Ringsak".

EDITOR'S NOTE: AS A TRIBUTE TO MICK RINGSACK, I AM GOING TO RE-PRINT SOME OF HIS BEST OP-EDS FROM THE PAST SEVEN YEARS—CHRIS CHAVEZ

A Rural Approach to Economic Development by Elton W. Ringsack, SBA's Region 8 Administrator (April 2006). Since 2001, I have traveled over 150,000 miles across the six states that comprise Region 8. Once I leave the metropolitan areas and Interstate Highway, I become immersed in America's rural center. What you find is a business community that is struggling for its basic existence. America's rural center is an area that has been largely overlooked when it comes to a cohesive economic policy. Rural America is more than just vast farmlands and small no-name towns. It is a vital part of our nation's stability. These communities are suffering from what I call "rural lag." Studies show that economic growth lags in six out of every ten rural places. Globalization has changed the landscape of rural economies. Traditional economic engines that once drove rural growth have disappeared or been minimized. Recently, the Federal Reserve Bank of Kansas City released a report entitled "*The Rural Economy at a Glance*" which shows that the leading growth sectors in rural areas continue to be construction and mining. The production of commodities has always been a staple economic engine in rural USA. **Now Rural America is caught in a Commodity Trap;** "resource production" towns - communities that existed primarily to produce natural resources (farming, ranching, mining, timber, and fishing) are battling in a Global Market. Since natural resources tend to be "generic" commodities the consumer typically makes a buying decision based on the lowest price. Thus commodity producers are in a race to provide ever cheaper prices which puts extreme pressure on employee wages and rural economic development. With the globalization of world markets, rural businesses not only compete with the bordering state, but China, Argentina, Brazil, Vietnam, India, and a host of other low cost nations. There has been a widespread consolidation of agriculture and manufacturing capacities in rural areas. When profit margins are razor thin, a single mistake can send a farm, a ranch, a saw mill, a mine, or a fishing boat into bankruptcy. The new rural economy will be driven by the "low-cost producer" and the innovation of the entrepreneur. A study released by the SBA's Office of Advocacy entitled, "*An Empirical Approach to Characterize Rural Small Business Growth and Profitability*" states that rural America is undergoing several notable demographic shifts, with certain rural areas experiencing a decline in population. The difference between average wages and per capita income in rural and urban areas continues to grow, as rural areas fall further behind. Small businesses and entrepreneurs are the linchpin of economic success, or failure, for the local and state economies of the Great Plains and Rural America. To maintain a thriving economic base and retain the rural lifestyle it appears that a comprehensive program to promote small business success is vital. We must all understand and embrace the notion that our rural communities are not just for farming anymore. Rural America is definitely a vital part of our national stability. It must be saved at all cost.

Support for our Veterans Starts at Home By Elton W. Ringsack (March 2007). Support for our nation's veterans starts at home. Not only do we owe our veterans a tremendous amount of gratitude for their service and dedication to our nation, but we also owe them the opportunity to make a decent living here at home. This is even more relevant today since so many of our military men and women are serving in harms way across the globe. The U.S. Small Business Administration takes their commitment to our country seriously and with a sense of urgency, and our Administrator Steven C. Preston has made improving SBA services for veterans one of his top priorities. The SBA wants to make sure that their transition into civilian life is seamless and without difficulty, so we are designing new lending and business assistance programs specifically for veterans and activated reservists. Over the past 30 years I have talked to hundreds of veterans about becoming self sufficient and successful. As a former combat engineer that served in Vietnam - and current small business owner from Butte, Montana - I know how critical it is to talk with a peer that has similar experiences and history. Recent data shows us that one in seven veterans is a small business owner, and that more than 22 percent of veterans who have served since the Korean War are thinking about or are taking steps to start or purchase a small business. How does the SBA help veterans start or grow a business? Though we do not offer direct loans or grants, SBA does help in many other ways. First, SBA has a comprehensive network of business development resources - including SCORE and our Small Business Development Centers - that can help you write a business plan, develop a marketing strategy, develop a loan package, or learn how run a business on a daily basis. The Office of Veterans Business Development www.sba.gov/vets has created the **Pre & Post Mobilization Business Planning Guides** for returning Self Employed Reserve and Guard members. Many of our reservists and National Guard members are small business owners already and need help coping with the many problems connected with keeping a business running while on active duty. The SBA continues to offer its Military Reservist Economic Injury Disaster Loan Program that assists small business owners that lose key employees to active duty service, including the owner. In 2005, a new procurement program was implemented that will boost federal contract opportunities for service-disabled veteran-owned small businesses. The new rule allows federal contracting officers to restrict contract awards to service-disabled veteran-owned (SDV) small businesses when there is a reasonable expectation that two or more service-disabled veteran-owned small businesses will submit bids at a fair market price. Yes, our veterans demand and deserve our support at home. Whether it is help developing a comprehensive business plan, finding the right type of business loan, help obtaining a surety bond, advice on how to export their products or services abroad, or ideas on how to most effectively contract with the federal government; the SBA is here to help.

Small Business: America's Job Creators

By Elton W. Ringsak (September 2005)

One thing is becoming crystal clear as our economy continues along its path of recovery: The spirit of American entrepreneurship is alive and well. Our nation's small business owners are risk-takers whose vision, ingenuity and perseverance have revitalized the national economy and continue to make our nation strong. Economic growth and job creation improve the life of all Americans, and the U.S. Small Business Administration recognizes the tremendously important role that the small business community plays in reaching those goals.

As President George W. Bush has often said, "the role of government is to create an environment in which the entrepreneurial spirit flourishes." Those are not just words. President signed into law his Jobs & which has helped create such an cally cutting taxes for America's President understands that endous contributions to our econthe Jobs and Growth Act recogin our economic vitality.

The Jobs and Growth Act to small businesses, giving them grow and create jobs. It encourers to purchase the technology, equipment they need to expand the expensing for new invest-\$100,000. It also reduced marginal tax rates, so that small business owners have more precious capital to reinvest in their own companies. This is a pro-growth plan that is already growing our economy and creating new jobs across America.

This help for small business is vital for our entire country. When I speak to small business owners across Region Eight, I frequently tell them that 'small business isn't small.' America's 25 million small businesses make up a huge part of our national economy, and when they thrive, so does the economy.

Let's consider the facts: Small businesses account for two out of every three net new jobs created in this country. Small businesses hire a larger proportion of workers that large corporations might be less likely to employ – workers who are younger or older than the national norm, women, workers formerly on public assistance, and those who prefer to work part-time. Small businesses represent 90 percent of all employers in the United States and 53 percent of the private sector workforce. They receive almost 23 percent of all federal contract dollars, provide 55 percent of innovations, and account for 51 percent of private sector output.

President Bush is committed to fostering business formation and job creation in the small business sector, and the SBA is here to help carry out his ambitious agenda. We have set ambitious goals for SBA offices across our region to sharply increase lending, technical assistance and government contracting opportunities, particularly to America's traditionally underserved markets, including women, minorities and veterans. The SBA is uniquely positioned to meet these challenges through a variety of lending, counseling, business development and procurement assistance programs.

Over the past 50 years, the SBA has helped more than 20 million entrepreneurs start, grow and expand their businesses, and has supported \$270 billion in capital access for those entrepreneurs. As small businesses continue to drive America's economic expansion and job creation, the SBA will continue to serve as their small business resource.

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business owners have more This is a pro-growth plan that is already growing our economy and creating new jobs across America.



Mick Ringsak with Christopher Chavez, Regional Communications Director



Mick Ringsak with Dan Rivas, Denver Finance Center



Mick Ringsak with Carol Helm, Regional Resource Coordinator

MICK, THANK YOU FOR SEVEN GREAT YEARS!

BY CHRIS CHAVEZ, REGIONAL COMMUNICATIONS DIRECTOR

It is hard to believe that I have written and edited SBA's Region VIII Newsline Eight since 1994. After 168 editions, it is harder to believe that this is the first time I have written my own column for the newsletter. I thought it was important to give my personal thanks to Mick Ringsak for the tremendous job he has performed as regional administrator. I have worked with several regional administrators over the last 20 years, and Mick is one of the best. This man is one of the most dedicated public servants I have ever met. His commitment to the region's and nation's small business communities is unmatched. His final major accomplishment is the national implementation of the Rural Lender Advantage. Mick worked tirelessly over the last 12 months getting this new program developed and implemented. The small business community in rural America owes Mick a huge thanks for getting this innovative program instituted. The best thing about Mick is that he treated his entire staff in the regional office (all two of us) with dignity and respect. He has served as my mentor for the past seven years, and I will continue to seek his guidance and direction over the years to come. I wish to personally congratulate Mick on his successful tenure as regional administrator. I know that we have not heard the last from Mick—stay tuned for an encore. I also want to thank Mick's wife Claire for managing two homes (one in Butte, Mt and one in Denver) and putting up with the rigors of living in Denver. Mick, thank you for seven wonderful years. The next regional administrator will have big shoes to fill. Good luck in your future endeavors back in Big Sky Country!



Photo above

left to right. Chris Chavez (Regional Communications Director), Jim Henderson (Regional Advocate), Elton Ringsak, Carol Helm (Regional Resource Coordinator).